



Department of Justice

UNITED STATES ATTORNEY DEBORAH R. GILG
DISTRICT OF NEBRASKA

**FORMER SCOTTSBLUFF RESIDENT SENTENCED FOR EMBEZZLING
CLIENT FUNDS**

September 9, 2011

Contact: Jan Sharp, Criminal Chief, 402-661-3700

United States Attorney Deborah R. Gilg announced that Karen C. Adams, 49, of Seattle, Washington, was sentenced today to five years probation, and ordered to pay \$19,113.99 in restitution, following her conviction for embezzling Social Security benefits while she was Executive Director of Safe Harbor, Inc., of Scottsbluff, Nebraska. Safe Harbor, Inc., is an organizational representative payee for the Social Security Administration, serving clients who receive Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) benefits, and who are living in western Nebraska, Wyoming, and South Dakota. Adams was hired by Safe Harbor, Inc. in October 2005. On May 1, 2008, Adams became the Executive Director of Safe Harbor, Inc., and remained in that capacity until September 9, 2009, when her employment was terminated. While she was Executive Director, Adams withdrew funds from Safe Harbor, Inc. client accounts with checks written to various vendors and businesses, which were used to purchase various items and services for Adams' personal use. Adams additionally took unauthorized salary advances and wrote checks from the Safe Harbor, Inc. account, payable to herself, which she deposited into her personal checking.

As part of the sentence, Adams will be required to serve six months of house arrest, provide employment verification to her probation officer to guard against future conduct of a similar nature, and pay restitution of \$19,113.99.

This case was investigated by the Scottsbluff Police Department and the Office of Inspector General of the Social Security Administration.

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